

Family Development Account Program

FY 2010 Guidelines and Application

Business and Community Services
P.O. Box 118 • Jefferson City, MO 65102
(573) 751-4539 • FAX (573) 522-4322



TABLE OF CONTENTS

Tax Credit Accountability Act of 2004	2-3
Purpose	4
Program Assumptions.....	4
Program Outcomes	4
Definitions	5
Applicant Eligibility	5-6
Qualifying Individuals / Family Members	6-7
Eligible Use of Family Development Accounts	8
Funding and Distribution.....	8
Sample Budget.....	9
Fiscal Requirements.....	10
Requirements of the Applicant Organization	10-11
Requirements of the Saver.....	12
Requirements of Financial Institutions.....	12-13
Closure of a Family Development Account	13
Special Conditions of the Family Development Account	13
Eligible Contributors	14
Claiming the Tax Credit	14
Verification of Tax Credit	14-15
Submitting Your Proposal	15
Proposal Rating.....	15-16
Application Instructions.....	16
Notification of Award.....	16
Application	A1-A7

NOTICE

The Tax Credit Accountability Act of 2004 (Senate Bill 1099, Sections 135.800 through 135.830, RSMo) makes several changes to the tax credit programs, specifically:

- Processing tax credit applications;
- Annual reporting requirements; and,
- Penalty provisions.

Changes in Processing of Tax Credits (Section 135.815, RSMo)

Prior to the Missouri Department of Economic Development (DED) authorization of a tax credit, the DED will contact the Departments of Revenue and Insurance and verify that the applicant does not owe any delinquent income, sales, use, or insurance taxes, or interest or penalties on such taxes. If a delinquency exists, the amount of tax credits issued will be reduced by the amount of the delinquency. After satisfying all delinquencies, the remaining tax credits shall be issued.

Reporting Requirements (Section 135.805, RSMo)

Certain tax credit recipients are required to annually report information pertaining to the project that received the tax credits to the DED. The statute requires that a full year pass after the issuance of the tax credits before the SB1099 reporting requirements must be met. The earliest date that reporting may be required is **June 30, 2011**.

The Community Development Category of tax credits, which includes the Neighborhood Assistance Tax Credit program, requires recipients to annually report for three (3) years following the date of issuance of the tax credits to the DED the following information:

- The title and location of the corresponding project;
- Estimated or actual time period for completion of the project; and,
- All geographic areas impacted by the project.

Penalty Provisions (Section 135.810, RSMo)

Failure to meet the annual reporting requirements or fraud in the application process if determined by a court, such person or entity shall be subject to penalties.

If the annual report is ninety (90) days past due, the DED shall send notice by registered mail to the last known address of the person or entity who is required to complete the annual report. The notice shall inform the person or entity of the past-due report and the pending penalties and their respective deadlines.

If the annual report is six (6) months past due, the DED shall notify the Department of Revenue that the taxpayer is subject to penalties because of failure to report.

Such penalties include the following:

- Failure to report for six (6) months but less than one year shall equal a penalty of two percent (2%) of the value of the tax credits issued for each month of the delinquency.
 - EXAMPLE: Recipient receives \$10,000 in tax credits. Annual report was due June 30, 2010, however, the recipient does not submit the report until March 30, 2011. The recipient is nine (9) months delinquent and the penalty would equal 2% multiplied by \$10,000 for nine (9) months or \$1800.
- Failure to report for more than one (1) year shall equal a penalty of ten percent (10%) of the value of the tax credits issued for each month of the delinquency, not to exceed one hundred percent (100%) of the tax credit value.
 - EXAMPLE: Recipient receives \$10,000 in tax credits. Annual report is due June 30, 2010, however, the recipient does not submit the report until March 30, 2012. The recipient is twenty-one (21) months delinquent and the penalty would equal 10% multiplied by \$10,000 for twenty-one (21) months or \$21,000, however, the statute limits the penalty to the amount of the tax credits, therefore, the penalty would be \$10,000.

The taxpayer shall be liable for any penalties as of December 31 of any tax year and the liability shall be due as of the filing date of the taxpayer's next income tax return.

If the taxpayer is not required to file an income tax return, the taxpayer's liability for penalties shall be due as of April 15th of each year.

The Director of the Department of Revenue shall offset any tax credits claimed on a filed tax return against an outstanding penalty before applying such tax credits to the tax year against which they were originally claimed.

Any nonpayment of liability for penalties shall be subject to the same provisions of law as a liability for unpaid income taxes, including but not limited to, interest and penalty provisions.

Penalties shall remain the obligation of the person or entity obligated to complete the annual report without regard to any transfer of the tax credits.

Closed Records (Sections 610.255 and 620.014, RSMo)
--

Prior to August 28, 2004 and pursuant to Section 620.014, DED had the authority to close certain records except for the name of the tax credit recipient and the amount of the tax credit. SB 1099 removes this broad exception but DED retains the authority to close records or documents that "relate to financial investments in a business, or sales projections or other business plan information which may endanger the competitiveness of a business" or as also allowed by law.

FAMILY DEVELOPMENT ACCOUNT PROGRAM

PURPOSE

The Family Development Account (FDA) Program, administered by the Missouri Department of Economic Development, is a community building initiative established for the purpose of promoting self-sufficiency through asset-development for low-income Missourians in a matched savings program.

The FDA Program awards tax credits to approved community-based organizations. The tax credits will be used to leverage donations that will serve as a match for individual savings in a family development account. The matched savings can be used to help finance the purchase of a primary residence, make repairs to a home, pay for educational expenses, pay for job training, and promote small business development.

Using the program guidelines, community-based organizations are encouraged to exercise flexibility and creativity to design and implement a FDA project that best suits the needs of their local communities.

PROGRAM ASSUMPTIONS

The FDA Program believes the following to be true:

- People with low incomes are capable and desirous of creating value and moving toward economic independence.
- Saving and asset building are the means and measures of community and economic development.
- FDAs and asset building are investment strategies that, if appropriately designed, should produce returns for all investors.
- FDAs develop and reaffirm strong habits for saving money and investing in the future of participants.
- FDAs promote individual employment because deposits generally come from earned income.
- FDAs help reduce the welfare rolls, increase employment opportunities, spur business opportunities in poor communities, and foster revenue growth.
- FDAs help rejuvenate neighborhoods through small business development and home ownership.
- FDAs help move people above the poverty level by opening avenues to self-employment, higher education, and home ownership.

PROGRAM OUTCOMES

The FDA Program has identified the following program outcomes as areas the program will have an impact on:

- Decrease the number of Missourians receiving public income support.
- Increase the number of Missourians with incomes above 100% of the poverty level.
- Increase the number of Missourians who become homeowners.
- Increase the number of Missourians over age 25 completing 14 years of education.
- Increase the number of Missourians operating a small business.
- Decrease the number of communities with a high concentration of poverty.

DEFINITIONS

The following words and phrases when used in these guidelines shall have the meanings given to them in this section unless the context clearly indicates otherwise.

DED

Department of Economic Development

FDA Program

Family Development Account Program

Saver

The individual or family who resides in Missouri and who meets the income eligibility requirements for participation in an approved account program.

Account

A family development account at a financial institution that is approved by the DED and which is maintained by the saver as part of an approved account program for the restricted purpose of providing funds for an eligible use.

Reserve Fund Account

An account established by the applicant to hold matching funds for the family development account and funds for administrative costs.

Administrative Costs

The cost of clerical support, administrative personnel, janitorial and maintenance services, office equipment and supplies, audits, fidelity bonds, space rental, insurance, conferences and transportation of staff.

Applicant

A community-based organization, an organization with a Chapter 352 status or a nonprofit corporation formed under Chapter 355, requesting tax credits from the DED under the Family Development Account Program to leverage contributions to conduct and administer eligible program activities.

Approved Plan with Saver

The contract between the saver and the applicant that defines savings goals and program requirements, including the anticipated use of both the savings and the matching funds.

Financial Institution

Any bank, trust company, savings bank, credit union or savings and loan association as defined in Chapter 362, 369 or 370, RSMo.

APPLICANT ELIGIBILITY

Community-based organizations must provide proof of registration with **E-Verify** and meet one of the following criteria to be eligible to administer a family development account:

- Be a religious or charitable association formed pursuant to Chapter 352, RSMo
- Be a nonprofit corporation formed under Chapter 355, RSMo

About E-Verify, conducted jointly by the U.S. Citizenship and Immigration Services (USCIS) Verification Division and the Social Security Administration (SSA), provides employment status information to establish the eligibility of applicants for employment. In an effort to eliminate the employment of undocumented (illegal) workers, E-Verify requires that participating employers use the automated Verification Information System (VIS) to check the SSA and the USCIS databases to verify the employment authorization of ALL newly hired employees.

All applicants must complete the online E-Verify registration process and provide a copy of the Memorandum of Understanding. To access the E-Verify website, go to: https://www.vis-dhs.com/employer_information.htm

QUALIFYING INDIVIDUALS/FAMILY MEMBERS

An individual or family member may qualify to participate in a Family Development Account program if:

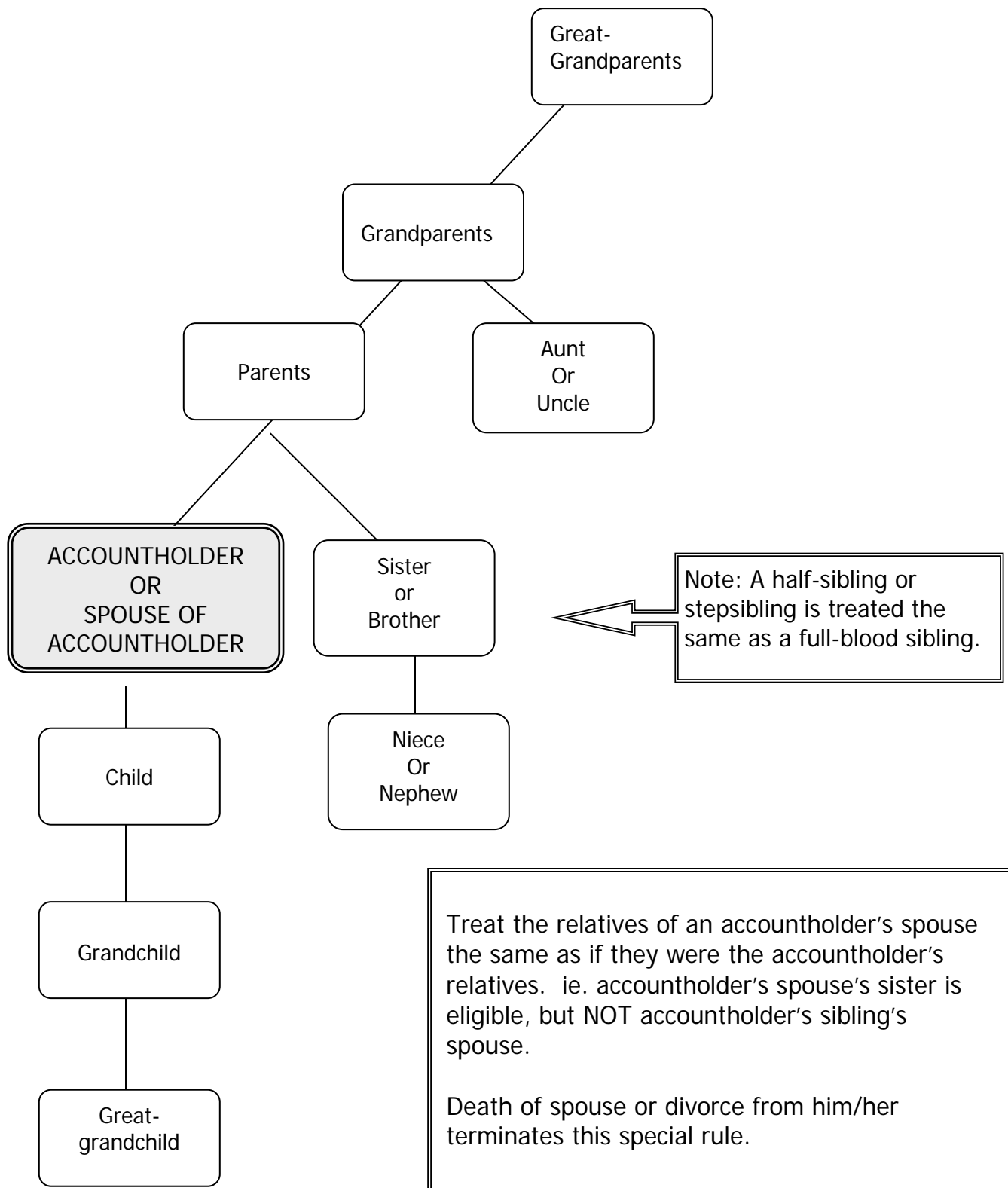
- The family or individual has applied and been accepted into a family development account program by a participating community-based organization approved by the Missouri Department of Economic Development.
- The household income is less than or equal to two hundred percent of the federal poverty level (see Department of Health and Human Services Poverty Guidelines chart). Income includes salaries, wages, dividends, Social Security, pensions or other cash receipts for the 12-month period immediately preceding the date of enrollment. Specifically excluded from consideration are welfare payments, Supplemental Security Income (SSI), Social Security Disability Income (SSDI) payments, state or federal training program stipends and unemployment compensation. Pay stubs, statement from employer, W-2 forms, Social Security Award letter or signed statements from the Social Security Office shall be adequate documentation.

Department of Health and Human Services Poverty Income Guidelines

SIZE OF FAMILY UNIT	POVERTY GUIDELINE	200% OF POVERTY GUIDELINE
1	\$10,830	\$21,660
2	\$14,570	\$29,140
3	\$18,310	\$36,620
4	\$22,050	\$44,100
5	\$25,790	\$51,580
6	\$29,530	\$59,060
7	\$33,270	\$66,540
8	\$37,010	\$74,020

For family units with more than 8 members, add \$3,740 for each additional member and for the 200% equivalent add \$7,480.

The following chart lists family members for which a family development account may be established, as long as those family members reside in the same household. For example, an account holder may establish a family development account for a niece or nephew residing in the same household. The family development account savings may be used to pay any eligible activity for that niece or nephew.



ELIGIBLE USE OF FAMILY DEVELOPMENT ACCOUNTS

Families or individuals approved for a family development account may use their savings, including the matching funds contributed by the community-based organization, to offset costs for the following:

- Educational costs for any family member at an accredited institution of higher education
- Job training costs at an accredited or licensed training program for any family member eighteen years of age or older
- Purchase of a primary residence
- Major repairs or improvements to a primary residence
- Start-up capitalization of a small business for any family member eighteen years of age or older

FUNDING AND DISTRIBUTION

The DED has an annual allocation of \$300,000 in 50% tax credits to award to applicant organizations wishing to administer an FDA Program.

An applicant may submit only one request for tax credits per state fiscal year (July 1 – June 30). The applicant will be required to solicit contributions in order to provide the necessary matching funds for the family development accounts.

Applicants may submit an application for a project period of one or two years. An applicant applying for one or two years may request up to the maximum tax credit amount of \$100,000, enabling the organization to leverage \$200,000 in cash contributions during the project period (up to two years). No more than 20% of the total cash contributions received may be used for administrative costs associated with the operation of the program during the first two years of the program.

An applicant may reapply to the FDA program in the third year of operation for a one or two year project. However, no more than 15% of the total cash contributions received in the third year of operation and thereafter may be used for costs associated with the administration of the program.

Should the project not meet anticipated goals, the DED may recapture unused credits and reallocate them to another organization.

The DED reserves the right to make conditional awards and to set the policies and priorities of the FDA Program.

(See Sample Budget on next page)

FY 2010 FDA PROPOSAL**SAMPLE BUDGET****FDA SAMPLE BUDGET – TWO YEAR PROJECT**

Family Development Account Program (FDA) applicants must submit a budget with justification to fully explain all line items that will be supported through FDA contributions. Program costs to be supported through the FDA program should be budgeted for a one or two-year period. Savings account matching funds and administrative costs are allowable expenses. **Applicants may use 20% of contributions received through the FDA program for administrative costs in the first two years of operation. Applicants participating in the FDA program for a third year and thereafter may only use 15% of contributions received through the FDA program for administrative costs.**

FDA BUDGET LINE ITEM/CATEGORY AND JUSTIFICATION (INCLUDE ALL COSTS SUPPORTED THROUGH FDA CONTRIBUTIONS.)	TOTAL AMOUNT (ROUND ALL FIGURES TO THE NEAREST DOLLAR)
1. Matching Funds for FDA Savings Accounts	\$ 80,500
2. Administrative Costs (the sum of lines A – E may not exceed 20% of your total budget for a first or second-year project and 15% for projects operating in a third year and thereafter).	ENTER TOTAL AMOUNT FOR EACH LINE ITEM
A. Salary - Project Administrator (11% x \$50,000)	\$ 5,500
B. FDA Program Audit	\$ 1,500
C. Professional Services (2 instructors x \$5,000) (Contract services for financial literacy classes)	\$ 10,000
D. Supplies - Postage, Paper, Copies, Brochures, Handouts	\$ 500
E. Transportation for Participants	\$ 1,000
F. Child Care Costs	\$ 1,000
3. Subtotal Administrative Costs (sum of administrative costs may not exceed 20% of your total budget for a first or second-year project and 15% for projects operating in a 3rd year and thereafter).	\$ 19,500
4. TOTAL BUDGET (Sum of Lines 1 and 3)	\$ 100,000
5. TOTAL TAX CREDITS (50% of the dollar amount on line 4)	\$ 50,000

NOTE: This is a proposed budget for projects seeking support through the Family Development Account Program. If your project receives a tax credit award, this will be your approved budget. You will be notified of changes that may occur during the application review process. The Family Development Account Program, Department of Economic Development must approve all budget revisions **in writing** before donations are accepted or funds expended for line items other than those listed above.

FISCAL REQUIREMENTS

The DED will maintain fiscal oversight of funds received through any allocation of tax credits for a period of five years. Such oversight may be extended if the applicant continues to participate in the FDA Program for a period longer than five years. The applicant will be responsible for all required reports on the use and maintenance of funds in accordance with the FDA Program guidelines.

If an applicant chooses to terminate their participation in the FDA Program, the applicant must transfer all funds in their reserve fund accounts to an approved FDA Program applicant and/or administering organization in accordance with FDA Program guidelines. The DED will provide the applicant with the names of other approved FDA Program applicants and/or administering organizations located in the same geographic area. In addition, the applicant must ensure, in accordance with FDA Program guidelines, that the responsibility for the oversight of their participating savers' accounts is properly transferred to the approved FDA Program applicant(s) and/or administering organization(s).

REQUIREMENTS OF THE APPLICANT ORGANIZATION

Community-based organizations approved to administer a family development account program must:

- Participate in the “MIS IDA” IDA Management Information System training as developed by the Center for Social Development (CSD), Washington University, St. Louis, Missouri. “MIS IDA” software will be provided to the applicant by DED at no cost, subject to the availability of funds. Applicants are required to use “MIS IDA” or other approved software to track data for the FDA Program when reporting to DED.
 - DED may allow an approved applicant to use an alternative management information system other than “MIS IDA”. Applicant participation in the alternative management information system’s training, to the extent such training is available, may be required.
- Submit participation agreements with financial institutions to DED for approval with the application, prior to opening FDA accounts with the financial institution. The agreement should identify the responsibilities of the applicant and the financial institution in promoting effective management of the family development accounts to ensure their safety and security.
- Establish two reserve fund accounts at an approved financial institution for contributions that will be used for administrative costs of the program and for matching funds.
- Recruit and screen individuals/family members to participate in the program.
- Develop an approved plan with each enrolled saver. The approved plan must identify:
 - (a) the minimum savings amount and the amount of money the saver intends to deposit to their savings account on either a weekly, bi-weekly or monthly basis;
 - (b) the purpose/specified end use of the savings and matching funds; and
 - (c) an action plan that outlines the activities and related resources necessary to prepare the saver to reach the identified goal of the approved plan.
- Solicit funds, using awarded FDA Program tax credits as leverage, from qualified organizations, businesses, or individuals to be used to match the funds in the saver’s account.

- Provide a match of up to 3:1 for cash contributions deposited by a saver into their account. The saver may receive no more than a 3:1 match for deposits into the savings account. The 3:1 match includes the matching funds from the applicant participating in the FDA Program plus any matching funds from other organizations and the federal government.
- Deposit funds into the reserve fund accounts at least monthly.
- Submit written authorization to the financial institution for qualified withdrawals by a saver.
- Establish procedures for savers to be included in decisions regarding the investment of funds in the accounts.
- Provide a minimum of four workshops in basic economic literacy including such topics as personal management training, budgeting and credit repair, loans and grants resource development and personal financial planning.
- Establish a process for regular evaluation and review of family development accounts to ensure program compliance by savers. Maintain client files that include documentation of income eligibility, development plan, savings and financial information, progress and follow-up reports on the use of funds.
- Ensure that the saver's family development account does not exceed the maximum of \$2,000 in a calendar year and no more than \$50,000 total at any time.
- Monitor accounts to ensure funds are used within five years of the saver's initial approval for the FDA Program. If funds are not utilized within the five-year period, the account should be closed. Funds will be forfeited and reallocated under guidelines established by DED.
- Submit quarterly report to the DED, in a form approved by the DED, indicating the number of accounts established, the amount of tax credits used, the amount of investment secured through the tax credits, participating financial institutions and any additional information that may be requested.
- Notify and request approval from DED, in writing, for any program and/ or budget revisions.
- Submit completed tax credit applications along with required verification to DED.
- Submit a final project report, which includes a final project evaluation, within 120 days following the end of the project period.
- Submit a project audit performed by an independent certified public accountant at the end of the contract period. In order to keep audit costs to a minimum, DED will allow the project audit to be part of an overall agency audit that is performed annually. The FDA Program must be clearly designated in the agency audit, and specific findings with regard to the funds received and dispersed in the FDA Program must be included in the auditor's report. The audit will be due within 120 days of the termination of the contract. If the organization's fiscal year does not end on the same date as the FDA Program contract termination date, DED will grant waivers of the 120 day requirement to allow for the audits to be combined. An audit is not required if \$25,000 or less in tax credits are utilized.

REQUIREMENTS OF THE SAVER

The saver (individual account holder) participating in an approved FDA Program shall:

- Open a family development account at an approved financial institution. All monies in that account, including interest earned, shall belong to the saver with the applicant as the custodian of the account.
- Identify a long-term benefit (eligible use) for the savings and the matching funds.
- Attend at least four economic literacy seminars established by the applicant unless attendance in a similar training course for an equivalent amount of time can be documented.
- Limit deposits to not more than \$2,000 into the account in a calendar year. The total balance in an account at any time may not exceed \$50,000, including funds in the matching fund account.
- Withdraw monies only for approved expenditures as stated in the guidelines. Savers who withdraw monies from a family development account for unapproved expenses shall forfeit all matching monies and the funds deposited in the account will be subject to taxation. All matching funds forfeited by the saver will be returned to the applicant's reserve account to reallocate to other matching fund accounts.
- Submit a written request to the applicant for funds from the account.
- Actively participate in the FDA Program for at least six months before any withdrawals are permitted.
- Designate a contingent beneficiary in the event of the saver's death. The account holder must name the beneficiaries at the time the account is established but may change the named beneficiaries at any time. If the named beneficiary is deceased or otherwise cannot accept the transfer, the monies shall be transferred to the reserve fund account of the applicant.
- All withdrawals for qualified program purposes must be completed no later than the end of five years following the saver's initial approval for the FDA Program. If funds are not utilized within the five-year period, funds will be forfeited and reallocated under guidelines established by DED.

REQUIREMENTS OF FINANCIAL INSTITUTIONS

A financial institution establishing a family development account shall:

- Have an office located in Missouri.
- Banks, trust companies, savings banks, and savings and loan associations must be insured by the FDIC (Federal Deposit Insurance Corporation) or the FSLIC (Federal Savings and Loan Insurance Corporation). Credit unions must be insured by the NCUA (National Credit Union Administration). All financial institutions must be a federal- or state-chartered facility.
- Sign a participation agreement with the applicant administering the FDA Program, pending approval from the DED.
- Maintain the reserve fund accounts in the name of the applicant.

- Maintain the accounts in the name of the saver, with the applicant designated as the custodian.
- Permit deposits to be made in the account by the saver or the applicant on behalf of the saver.
- Guarantee the family development accounts shall earn at least the market rate of interest.
- Permit the saver to withdraw monies from the account for approved purposes, but only with written authorization from the applicant.
- Provide savers with a monthly statement of all deposits into and withdrawals from each saver's account.
- Provide the applicant with a monthly statement of all deposits into and withdrawals from each account.

CLOSURE OF A FAMILY DEVELOPMENT ACCOUNT

The applicant may close a family development account for any of the following reasons:

- The applicant determines that the saver has withdrawn monies from the account for a purpose not authorized or that monies have been withdrawn under false pretenses and have been used for purposes other than for the approved purposes indicated at the time of withdrawal.
- The applicant determines that there has been no activity in the account during the preceding twelve months.
- The applicant determines that the saver has not complied with the terms of the FDA agreement between the saver and the applicant after the saver has been provided a reasonable opportunity to comply with the agreement.

Matching funds will be forfeited if an account is closed at the saver's discretion prior to completion of the FDA Program, if the saver fails to meet the minimum savings amount established in the saver's agreement, if the saver fails to fulfill workshop requirements, or if the saver withdraws funds from the account for ineligible uses.

SPECIAL CONDITIONS OF THE FAMILY DEVELOPMENT ACCOUNT

- Monies deposited in or withdrawn from a family development account are exempted from taxation pursuant to chapter 143 RSMo, excluding withholding tax imposed by sections 143.191 to 143.265 RSMo, and chapter 147, 148 or 153, RSMo, provided, however, that any monies withdrawn for an unapproved use should be subject to tax as required by law.
- Interest earned by an account is exempted from taxation pursuant to chapter 143, RSMo.
- Any funds in an account, including accrued interest, shall be disregarded when determining eligibility to receive, or the amount of, any public assistance or benefits.

ELIGIBLE CONTRIBUTORS

The following individuals or entities may make cash contributions, in exchange for tax credits, to an applicant approved by DED to administer a FDA program:

- Corporations
- Insurance Companies
- Express Companies
- Banks and other financial institutions
- Partnerships
- Limited Liability Companies
- Trusts or Estates
- Individuals
- Any other entities subject to tax under chapters 143 (excluding withholding tax imposed by sections 143.191 to 143.265), 147, 148 and 153, RSMo.

If you have a question about whether an individual or entity is an eligible contributor, please contact the FDA Program **before** accepting contributions from the individual or entity.

QUALIFYING CONTRIBUTION

- Cash
- Stocks
- Bonds

CLAIMING THE TAX CREDIT

FDA Program tax credits may only be used against certain Missouri State tax liabilities. A tax credit for qualifying contributions of up to \$50,000 may be claimed within a single tax year. The tax credit must be claimed for the year in which the contribution was made.

A program contributor will be allowed a credit equaling 50% of the contribution. The tax credits may be applied against the following state tax liabilities:

- Chapter 143, RSMo-corporate and individual state income tax, excluding withholding tax imposed by sections 143.191 to 143.265
- Chapter 147, RSMo-corporate franchise tax
- Chapter 148, RSMo-gross premium receipts tax of insurance companies and tax of banks and other financial institutions.
- Chapter 153, RSMo-gross receipts tax of express companies

FDA contributions may also be tax-deductible if made to a participating tax-exempt IRS section 501(c)(3) organization.

VERIFICATION OF TAX CREDIT

Contributors must submit an official tax credit application signed by the applicant to the Department of Economic Development. The tax credit application may be obtained from DED or from the applicant. The DED will send a certification to the contributor verifying the amount of approved tax credits and notify the Missouri Department of Revenue. In order to apply the tax credits against the contributor's tax liability, the contributor must submit the certification with the tax return to the Department of Revenue. The tax credit must be claimed for the tax year in which the contribution was made. FDA tax credits are **not** transferable.

SUBMITTING YOUR PROPOSAL

The Family Development Account Program accepts applications on an open cycle each fiscal year. This means that proposals will be accepted in Jefferson City at any time during the year. Applications will be reviewed on a first-come, first-served basis and credits will be awarded to qualifying organizations accordingly. If an organization qualifies for tax credits, but there are no tax credits available at the time of application, the organization will be placed on a waiting list to receive credits once they become available.

Proposals may be mailed or hand delivered to the following address:

Family Development Account Program
301 West High Street
Truman State Office Building, Room 770
Jefferson City, MO 65101

Receipt of all applications will be acknowledged in writing.

Application Review

The FDA Program Team in the DED will review proposals as they are received, in the following manner:

1. Initial Screening

An initial screening will be conducted to determine if the applicant meets the basic eligibility requirements and that the application is complete. Any application that is incomplete, fails to answer any of the required items, and/or fails to submit required attachments will be disqualified from further consideration. The applicant will be notified if the application has been disqualified for any reason.

All organizations must be in good standing with the Secretary of State when applying to YOP. To find out if your organization is in good standing, call (573) 751-4153 or visit the Secretary of State Business Entity Database at <https://www.sos.mo.gov/BusinessEntity/soskb/csearch.asp>

2. Proposal Review and Rating– Maximum Points: 100

In reviewing the proposals of the community-based organizations, DED shall consider the following:

- The fiscal accountability of the applicant
- The ability of the applicant organization to provide or raise monies for matching contributions

- The significance and quality of proposed auxiliary services, including economic literacy seminars and their relationship to the goals of the FDA Program
- Partnering financial institutions
- Key persons involved in the administration of the FDA Program
- Targeted customers
- Project outcomes and performance targets

APPLICATION INSTRUCTIONS

Read the application questions thoroughly and answer them as completely as possible. Keep in mind that the focus should be on outcomes and results. In addition, please adhere to the following guidelines when submitting your proposal:

- ★ The application must be typewritten.
- ★ Do use a font size of at least 11 point.
- ★ Answer every question fully and directly.
- ★ Use 8½ 1/2 X 11 white paper.
- ★ State the number and question at the top of each page before answering.
- ★ Use only the forms provided for attachments to the application when submitting your proposal.
- ★ Double check your proposal to make sure you have included all required items.
- ★ Submit one **single-sided** copy of your entire application (including attachments) with **original** signatures. Please keep all pages in proper order.
- ★ Fax copies of the application will not be accepted.
- ★ Electronic copies of the application will not be accepted.
- ★ Keep a copy of the entire application, including all attachments, for your records.

NOTIFICATION OF AWARD

Every effort will be made to notify projects of their award status within 60 days from receipt of the application in the Jefferson City office. Organizations selected for approval will receive written notification from DED as well as a contract. Organizations not selected for participation in the program will also receive written notification from DED.



DEPARTMENT OF ECONOMIC DEVELOPMENT

**FAMILY DEVELOPMENT ACCOUNT PROGRAM
FY2010 PROJECT APPLICATION**

P.O. Box 118, Jefferson City, MO 65102

Phone: (573) 751-4539 E-mail fda@ded.mo.gov

Internet: www.missouridevelopment.org

FOR STATE USE ONLY

PROJECT #

APPLICANT (OFFICIAL OR LEGAL NAME)		NAICS*	MITS/MO ID NO.	FEIN
STREET ADDRESS (DO NOT USE P.O. BOX)				
BUSINESS SIZE 100 OR LESS <input type="checkbox"/> 101 - 500 <input type="checkbox"/> 501 OR MORE			P.O. BOX	
CITY		STATE	ZIP	
PROJECT DIRECTOR NAME		TITLE		
DAY PHONE	FAX		E-MAIL ADDRESS	
ORGANIZATION INTERNET ADDRESS		PROJECT TITLE		
<p>ARE YOU CURRENTLY ORGANIZED IN THE STATE OF MISSOURI AS A RELIGIOUS OR CHARITABLE ASSOCIATION UNDER CHAPTER 352, RSMo or AS A NONPROFIT CORPORATION FORMED UNDER CHAPTER 355, RSMo? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>IF YES, INDICATE THE DATE:</p> <p>ATTACH A COPY OF YOUR ORGANIZATION'S ARTICLES OF INCORPORATION AND BYLAWS TO THE APPLICATION.</p>				
REQUESTED TAX CREDIT AMOUNT \$		REQUESTED BUDGET AMOUNT \$		
<input type="checkbox"/> ONE (1) YEAR PROJECT <input type="checkbox"/> TWO (2) YEAR PROJECT				

***Required.** NAICS (North American Industry Classification System), Missouri businesses are assigned a NAICS when the company files a "Report to Determine Liability Status" with the Missouri Department of Labor and Industrial Relations, Division of Employment Security to determine Unemployment Tax Liability. If you do not know your organization's NAICS code, please contact the MO Department of Labor and Industrial Relations at (573) 751-4091.

PROJECT PROFILE

Type the question number and question above each answer, on 8 1/2 x 11 white paper. Provide clear, detailed answers to each of the following questions.

1. State the objective of your FDA project and its relationship to your organization.
Maximum Points: 5
2. Discuss your organization's history and the services/products offered. Summarize two of your organization's past projects that are most similar to the proposed FDA project and the extent to which you achieved specific results related to fundraising and project goals.
Maximum Points: 10
3. Describe your project's geographical service area boundaries.
Maximum Points: 5
4. Describe the customers you will be targeting to open a FDA account. Indicate the number and characteristics of the population your project will target and your organization's familiarity and experience working with the targeted customers.
Maximum Points: 15
5. State the outcomes you will achieve through this program. In addition, list your performance targets stating the number of accounts to be established and what the match will be for each account. Include a timeline for achieving your performance targets. Use any available baseline data to show an increase in your target numbers from the previous year and explain why you have not set higher or lower performance targets.
Maximum Points: 15
6. State how you will verify the extent to which your performance targets have been accurately measured and achieved. Describe your method for data collection and the evaluation tools you will use as well as how often the evaluation will take place.
Maximum Points: 15
7. Describe fully your organization's plan for providing economic literacy seminars and other proposed auxiliary services as part of your FDA program. In addition, explain how your organization will increase or improve services or training provided to FDA account holders.
Maximum Points: 10
8. Profile those key individuals who have the most responsibility for shaping your project, connecting it to your target population and achieving your performance targets. Focus on their energy, capacity and commitment.
Maximum Points: 10
9. Fully discuss your plan for raising donations through the FDA program and explain how tax credits will help your organization increase the amount of funds raised from individual and charitable contributors as matches for FDA accounts. The fundraising plan should include a timeline of all activities and events that will be conducted to solicit donations for the project. Identify any other sources of financial support that your organization will receive for the proposed FDA project.
Maximum Points: 10
10. Describe any innovation or best practices from your work in other projects that you would like to use to make your FDA project unique and interesting.
Maximum Points: 5

CURRENT BOARD MEMBERS

Please be advised DED staff may contact one or more of these Board members to discuss their role on the Board and their general level of support for and knowledge of this application.
(Make copies of this form if necessary.)

NAME	DAY PHONE
BOARD POSITION	OCCUPATION
RESIDENT OF PROJECT AREA? <input type="checkbox"/> YES <input type="checkbox"/> NO	CURRENT BOARD TERM (From <u>mo./yr.</u> to <u>mo./yr.</u>)
NAME	DAY PHONE
BOARD POSITION	OCCUPATION
RESIDENT OF PROJECT AREA? <input type="checkbox"/> YES <input type="checkbox"/> NO	CURRENT BOARD TERM (From <u>mo./yr.</u> to <u>mo./yr.</u>)
NAME	DAY PHONE
BOARD POSITION	OCCUPATION
RESIDENT OF PROJECT AREA? <input type="checkbox"/> YES <input type="checkbox"/> NO	CURRENT BOARD TERM (From <u>mo./yr.</u> to <u>mo./yr.</u>)
NAME	DAY PHONE
BOARD POSITION	OCCUPATION
RESIDENT OF PROJECT AREA? <input type="checkbox"/> YES <input type="checkbox"/> NO	CURRENT BOARD TERM (From <u>mo./yr.</u> to <u>mo./yr.</u>)
NAME	DAY PHONE
BOARD POSITION	OCCUPATION
RESIDENT OF PROJECT AREA? <input type="checkbox"/> YES <input type="checkbox"/> NO	CURRENT BOARD TERM (From <u>mo./yr.</u> to <u>mo./yr.</u>)
NAME	DAY PHONE
BOARD POSITION	OCCUPATION
RESIDENT OF PROJECT AREA? <input type="checkbox"/> YES <input type="checkbox"/> NO	CURRENT BOARD TERM (From <u>mo./yr.</u> to <u>mo./yr.</u>)
NAME	DAY PHONE
BOARD POSITION	OCCUPATION
RESIDENT OF PROJECT AREA? <input type="checkbox"/> YES <input type="checkbox"/> NO	CURRENT BOARD TERM (From <u>mo./yr.</u> to <u>mo./yr.</u>)

PARTICIPATING FINANCIAL INSTITUTIONS

Part I: List the financial institutions that have agreed to work with your organization to implement the Family Development Account project. Attach participation agreements for each financial institution listed. Then fill out Part II of this page.

Financial Institution	Contact Person	Title or Position

Part II: Indicate below the status of finalizing a participation agreement with each financial institution. This agreement should identify responsibilities of the community-based organization and the financial institution to promote effective management of the Family Development Accounts and to ensure the safety and security of the accounts.

NOTE: The participation agreement with the financial institution does not need to be finalized when you submit your proposal. However, it must be finalized within two months of submission of this proposal and be submitted to DED for approval, prior to opening Family Development Accounts in the financial institution.

FDA BUDGET

Family Development Account Program (FDA) applicants must submit a budget with justification to fully explain all line items that will be supported through FDA contributions. Program costs to be supported through the FDA program should be budgeted for a one or two-year period. Savings account matching funds and administrative costs are allowable expenses. **Note: applicants may use 20% of contributions received through the FDA program for administrative costs in the first two years of operation. Applicants participating in the FDA program for a third year and thereafter may only use 15% of contributions received through the FDA program for administrative costs.**

FDA BUDGET LINE ITEM/CATEGORY AND JUSTIFICATION (INCLUDE ALL COSTS SUPPORTED THROUGH FDA CONTRIBUTIONS.)	TOTAL AMOUNT (ROUND ALL FIGURES TO THE NEAREST DOLLAR)
1. Matching Funds for FDA Savings Accounts	\$
2. Administrative Costs (the sum of lines A – E may not exceed 20% of your total budget for a first or second-year project and 15% for projects operating in a third year and thereafter).	
A. B. C. D. E.	ENTER TOTAL AMOUNT FOR EACH LINE ITEM \$ \$ \$ \$ \$
3. Subtotal Administrative Costs (sum of lines A – E may not exceed 20% of your total budget for a first or second-year project and 15% for projects operating in a third year and thereafter).	\$
4. TOTAL BUDGET (Sum of Lines 1 and 3)	\$
5. TOTAL TAX CREDITS (50% of the dollar amount on line 4)	\$

NOTE: This is a proposed budget for projects seeking support through the Family Development Account Program. If your project receives a tax credit award, this will be your approved budget. You will be notified of changes that may occur during the application review process. The Family Development Account Program, Department of Economic Development must approve all budget revisions **in writing** before donations are accepted or funds expended for line items other than those listed above.

Certification to be completed by the Executive Director, President, Board Chair or any other person duly authorized to represent the applicant.

I certify that I am an authorized representative of the applicant and as such am authorized to make the statement of affirmation contained herein.

I certify that the applicant does NOT knowingly employ any person who is an unauthorized alien and that the applicant has complied with federal law (8 U.S.C. § 1324a) requiring the examination of an appropriate document or documents to verify that each individual is not an unauthorized alien.

I certify that the applicant is enrolled and will participate in a federal work authorization program as defined in Section 285.525(6), RSMo, with respect to employees working in connection with the activities that qualify applicant for this program. I certify that the applicant will maintain and, upon request, provide the Department of Economic Development documentation demonstrating applicant's participation in a federal work authorization program with respect to employees working in connection with the activities that qualify applicant for this program.

I understand that, pursuant to section 285.530.5, RSMo, a general contractor or subcontractor of any tier shall not be liable under sections 285.525 to 285.550 when such general contractor or subcontractor contracts with its direct subcontractor who violates section 285.530.1, if the contract binding the contractor and subcontractor affirmatively states that the direct subcontractor is not knowingly in violation of section 285.530.1 and shall not henceforth be in such violation and the contractor or subcontractor receives a sworn affidavit under the penalty of perjury attesting to the fact that the direct subcontractor's employees are lawfully present in the United States.

I understand that if the applicant is found to have employed an unauthorized alien, applicant may subject to penalties pursuant to Sections 135.815, 285.025, and 285.535, RSMo.

I understand if the applicant is found to have employed an illegal alien in Missouri and did not, for that employee, examine the document(s) required by federal law, that the applicant shall be ineligible for any state-administered or subsidized tax credit, tax abatement or loan for a period of five years following any such finding.

I certify that I have been duly authorized by the Board of Directors of this organization to file this FDA application and attachments with the Missouri Department of Economic Development. Under the penalties of perjury, I declare that I have examined this application, including all accompanying attachments, and to the best of my knowledge and belief, they are true, correct and complete.

Required Attachment:

☐ Copy of the executed E-Verify Memorandum of Understanding.

NAME (SIGNATURE)		DATE	
NAME (PRINTED OR TYPED)		APPLICANT/ORGANIZATION NAME (PRINTED OR TYPED)	
TITLE (PRINTED OR TYPED)			
*Required of all applicants for tax credits, abatements, exemptions or loans issued pursuant to Ch. 32, 100, 135, 253, 447 and 620, RSmo, effective August 28, 1999 (HB 701, §1).			
NOTARY PUBLIC EMBOSSER OR BLACK INK RUBBER STAMP SEAL	STATE		COUNTY (OR CITY OF ST. LOUIS)
	SUBSCRIBED AND SWORN BEFORE ME, THIS DAY OF YEAR		
	USE RUBBER STAMP IN CLEAR AREA BELOW.		
	NOTARY PUBLIC SIGNATURE	MY COMMISSION EXPIRES	
	NOTARY PUBLIC NAME (TYPED OR PRINTED)		
<p>• The Family Development Account Program (FDA) retains the right to accept, reject, or negotiate, in whole or in part, any or all applications received.</p> <p>• The FDA Program reserves the right to vary the provisions, set forth herein, at any time prior to the execution of a contract where the FDA Program deems such variance to be in the best interest of the FDA Program, and to act otherwise as the program deems necessary in its sole discretion</p> <p>• This application is designed to solicit potential projects administered by community-based organizations which meet the eligibility requirements of the Family Development Account Program, to provide information to allow for a fair selection of projects, and to facilitate the monitoring and evaluation of, and assistance to community-based organizations that are selected for participation in the program.</p>			

Application

_____ Pages A1-A6

_____ Answers to Questions 1-10

Attachment A – Current Board Members

_____ Copy of Form Provided

Attachment B – Participating Financial Institutions

_____ Copy of Form Provided

_____ Finalized Agreements

Attachment C – Project Budget

_____ Copy of Form Provided

Attachment D – Certification & E-Verify

_____ Signed copy of Certification

_____ Copy of the executed Memorandum of Understanding between the company/organization and the United States Citizenship and Immigration Services (USCIS).

REMINDER

Carefully check your entire application to be sure you have not overlooked any required information or attachments. We are providing you with a checklist for this purpose. Submit one single-sided copy of your application and supporting documentation with original signatures to the FDA office in Jefferson City. You must provide all requested documentation in order for consideration to be given to your proposal.

FAILURE TO SUBMIT ALL REQUIRED DOCUMENTATION WILL RESULT IN THE AUTOMATIC DISQUALIFICATION OF YOUR PROPOSAL. Keep a copy of the entire completed application (including attachments) for your own records.